

Utah State Building Board



MEETING

April 13, 2005

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice-Chair
Steven Bankhead
Katherina Holzhauser
Manuel Torres

DFCM and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Blake Court	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Alan Bachman	Division of Facilities Construction & Management/AGO
Darrell Hunting	Division of Facilities Construction & Management
Rick James	Division of Facilities Construction & Management
Jeff Reddoor	Division of Facilities Construction & Management
Wayne Smith	Division of Facilities Construction & Management
Gaylen Rogers	Division of Facilities Construction & Management
Dan Clark	Division of Facilities Construction & Management
Nikki Wolcott	Division of Facilities Construction & Management
Craig Wessman	Division of Facilities Construction & Management
Jean Steidl	Department of Workforce Services
Kim Wixon	Department of Health
Bart Hopkin	Department of Human Services
Ron Nielsen	Department of Natural Resources/Wildlife Resources
Greg Peay	Department of Corrections
Bryan Wilmot	Utah Correctional Industries
Ron Reaveley	Reaveley Engineering
Lindsey Marek	VCBO Architecture
Julie Attig	Jacobsen Construction
Matt Rich	Jacobsen Construction
Chris Coutts	MHTN Architects
John Harrington	Siemens

Tim Riedel	Siemens
Robyn Smith	HFS Architects
Rex A. Hadley	Hill Air Force Base Museum
Keith Sprouse	Uintah Basin ATC
Randall Funk	University of Utah
Darrell Hart	Utah State University
Kevin Hansen	Weber State University
Jim Michaelis	Utah Valley State College
Kevin Walthers	Utah System of Higher Education
Bill Juszczak	UDOT

On Wednesday, April 13, 2005, the Utah State Building Board held a regularly scheduled meeting in the House of Representatives Building, Room W125, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 9:00am.

☐ **APPROVAL OF MINUTES OF MARCH 16, 2005.....**

Chair Jardine sought a motion to approve the meeting minutes of March 16, 2005.

MOTION: Kerry Casaday moved to approve the meeting minutes of March 16, 2005. The motion was seconded by Katherina Holzhauser and passed unanimously.

☐ **ALLOCATION OF FY2006 CAPITAL IMPROVEMENT FUNDS.....**

Kent Beers introduced DFCM's recommendations for FY2006 capital improvement fund allocations. DFCM staff reviewed each of the improvement requests from state agencies and institutions of Higher Education. The recommendations address the highest priority needs from DFCM's opinion. Mr. Beers suggested that an opportunity be provided for agencies and institutions to comment on the proposed allocations prior to the Board taking action to approve the allocation of capital improvement funds.

This year DFCM received requests totaling approximately \$150 million and the Legislature provided \$56.1 million in funding. Several documents were attached including a summary of replacement costs of facilities versus share of FY2006 capital improvement funding. This document showed how the current funding is recommended to be allocated among state agencies (39%) and institutions of higher education (61%). Higher education buildings represent 66% of the buildings requesting funding and received \$31.5 million in funding. State agencies received \$20.1 million and represent 34% of facilities requesting funding.

Mr. Beers referred to the summary of capital improvement funding for FY2002 – FY2006. The dollar amount that each agency and institution received over the five year period was broken out.

Mr. Beers referred to DFCM's recommendations for the allocation of funds for FY2006 capital improvements. The following amounts were recommended for the agencies and institutions:

College of Eastern Utah	\$1,743,900
Dixie State College	\$1,427,800
Salt Lake Community College	\$2,460,600
Snow College	\$1,945,000
Southern Utah University	\$1,857,800
University of Utah	\$9,406,000
Utah State University	\$5,265,000
Utah Valley State College	\$2,787,600
Weber State University	\$3,394,200
Utah College of Applied Technology	\$1,254,500
Agriculture	\$450,000
Alcoholic Beverage Control	\$434,400
Capitol Preservation Board	\$1,472,300
Community and Economic Development	\$125,000
Corrections	\$3,693,723
Courts	\$1,875,200
DFCM	\$1,990,400
Environmental Quality	\$313,600
Fairpark	\$304,000
Health	\$466,300
Human Services	\$2,600,800
National Guard	\$1,060,500
Natural Resources	\$3,210,400
Office of Education	\$51,800
Office of Rehabilitation	\$35,900
Public Safety	\$382,500
Tax Commission	\$86,000
UDOT	\$1,072,000
Workforce Services	\$545,900
Statewide Programs	\$4,448,477
Total	\$56,161,600

Kent Beers sought comments from the audience regarding the requests. Manuel Torres referred to the money taken out of the emergency fund last year and questioned if it would be replaced this year. Mr. Beers responded the Legislature appropriated \$1 million to directly go into the fund during the legislative session.

Keith Stepan commented that the appropriated amount was approximately 1.2% in funding which is very beneficial although it will only cover about one third of the needs submitted.

Kent Beers emphasized that there is no other state that comes remotely close to the amount for guaranteed funding for improvement projects.

Katherina Holzhauser questioned the intentions for the buildings at the College of Eastern Utah. Keith Stepan responded that President Thomas approached the Legislature during the legislative session with a proposal that the projects be donation funded. They hoped they would receive the money shortly in order to begin the projects immediately afterward.

MOTION: Kerry Casaday moved to approve the allocation of FY2006 capital improvement funds. The motion was seconded by Steve Bankhead and passed unanimously.

Kent Beers continued with the projects approved last year by the Building Board to report their success in managing the projects. The document reported 122 projects were managed by the Improvement Team in FY2005, of which 114 projects (93%) were completed or under construction. Mr. Beers noted that because the Building Board meeting was moved up a month earlier, the calculations represented an 11 month construction cycle. With the additional month, they would have achieved 96-97% of the projects. Next year they are taking measures to bring back to the Board a report of 100% completion.

Kent Beers introduced the Capital Improvement team which included Gaylen Rogers, electrical engineer; Darrell Hunting, who oversees improvement and construction projects; Rick James, project manager; Jeff Reddoor, project manager of southern Utah projects; Craig Wessman, mechanical engineer and project manager; Wayne Smith, project manager and oversees facility audits; Dan Clark, project manager and oversees the paving program; Vic Middleton, project manager and oversees the roofing program; and Nikki Wolcott who provides secretarial assistance. Absent from the meeting were Bill Bowen, Dave McQuillan and Bob Anderson.

Keith Stepan added that the ten project managers oversee over ten projects a piece. They do a great job of getting the projects done within the provided fiscal year.

☐ REVISIONS TO STANDARD CONTRACT DOCUMENTS

DFCM has been working for a number of months on revising the standard design agreement and the standard general conditions. The Board previously addressed the dispute resolution process which resulted in the contract documents needing to be revised. DFCM has also been working on a replacement of the current design criteria which also had a substantial impact on the design agreement needing adjustments. DFCM previously distributed those documents to several parties for their comments and met with the AIA and AGC. Once the comments are received and the documents are finalized, DFCM will return to the Board for approval.

Mr. Nye reiterated that the design agreement revision was primarily motivated by a need to incorporate the dispute resolution process, as well as coordinate with the new design manual. DFCM had been trying to make sure that issues are not addressed in multiple locations. They had also enhanced the insurance requirements for architects and engineers primarily dealing with the errors and omissions coverage in part because DFCM no longer had the Owner Controlled Insurance Program. DFCM also tried to make a number of changes that deal with the tone of the document to reflect the quality of firms selected for projects.

The primary motivation of the General Conditions was to address the dispute resolution issues. This was more complicated than in the architect's agreement because construction tends to have more disputes. There was already a fair amount of language in the document dealing with dispute resolution, change order issues, construction change directives, and time issues.

Mr. Nye noted that in the last version of the General Conditions, DFCM introduced a new concept entitled the Request of Equitable Adjustment. This was a concept introduced by Blake Court through his experience at the federal government as an attempt to reflect a dispute resolution process at staff level. This new dispute resolution process replaces the request for equitable adjustment process. DFCM wanted to document the normal change order process and address a number of issues regarding challenges that DFCM has dealt with in the contract documents. DFCM also previously relied on a reference to a statutory rate for interest on late payments, which was not a very clear provision. DFCM clarified how to address timely payments and how interest is accrued by specifying a rate that is prime plus two. The provisions for the Owner Controlled Insurance Program were removed and provisions dealing with exemption from sales tax were added. Weather delay provisions were also being looked at per a request from the AGC.

Kenneth Nye stated the full documents were not included in the packet due to their length. They have been posted to the DFCM website. Public comments need to be received by April 29. Questions regarding the revisions should be directed to DFCM staff.

Chair Jardine complimented DFCM staff for their common sense approach. He thought the contractors and architects are fortunate to be able to work with a document with a common philosophy. Steven Bankhead was pleased to hear DFCM had changed the tone of the document to reflect the companies working for the state.

☐ REPLACEMENT OF DESIGN CRITERIA.....

Blake Court stated DFCM anticipated bringing the new design manual to the Building Board in the May meeting for approval. He explained that for about the last seven months, DFCM has been looking at the old design criteria which was last adopted in March 1995. Since then, DFCM has seen significant changes in the design and construction community along with the adopted codes. The design criteria adopted back in 1995 listed all of those

codes and was very prescriptive about what a design architect or engineer could input into the documents. The majority of the document is to adopt nationally recognized standards to conform more to the national intent.

DFCM broke the design criteria manual into three parts. The first part encompassed a programming standard. Previously, the State of Utah did not have a programming standard listing the process and the end result of a program. Therefore, DFCM proposed adopting the first chapter of the new design manual to be a programming guide to identify the needed information to aid architects, engineers and programmers with the planning process.

The second chapter in the manual will outline the design process and the steps needed for DFCM to review and approve a design by an architect. The steps and the information required for the schematic design and the design development per contract documents were included. The changes will aid DFCM to obtain a better review of the final document. DFCM has implemented a peer review in this process to have outside engineers review the calculations. Enzo Calfa, State Building Official, is also much more involved in the design review process and DFCM is finding the issues with the code much earlier during the design phase.

The third chapter of the manual is a design requirement section where all applicable codes will be listed in their current version. DFCM also wished to use this as a tool to provide direction to the design teams regarding standards DFCM wishes to exceed. The first part of the design requirements will include nationally adopted code standards and the second part will be enhancements that DFCM sees are applicable for state buildings. DFCM does not believe this will impact the cost. The third part of the design requirement manual is referred to as agency related criteria and DFCM is currently working on the first version with the Department of Corrections and the 288 bed project in Gunnison to determine the criticalities of a successful project. DFCM hopes to develop similar standards with all agencies.

This design criteria is also available on the internet for review and DFCM is requesting input prior to April 25, 2005. They will then bring the finalized document back to the Building Board for approval.

Randall Funk, University of Utah, applauded the effort that has gone into the simplification of the DFCM standards and felt it was particularly important to reference national standards wherever possible. He felt the University is doing the same type of a simplification using DFCM's template and were thankful DFCM included a chapter for special general conditions.

Keith Stepan mentioned DFCM used outside resources to prepare the document in an effort to make it more user friendly. He commended their efforts.

❑ **REVIEW OF CAPITAL DEVELOPMENT EVALUATION GUIDE**

Kenneth Nye distributed three resource documents including one focusing primarily on the capital development request guide consideration for modifications. It covered some staff suggestions for consideration. Another document was the evaluation guide as it was adopted last year, and also the scoring analysis prepared last year to allow the Board to understand how the guide is applied.

Mr. Nye introduced some topics being considered up for consideration. The subcommittee will have at least one other additional meeting and will also meet with representatives of agencies and institutions to gather comments before preparing a firm proposal for the Board at the next meeting. The desire is to have any changes resolved at the next meeting to identify how the Board will address requests before agencies and institutions submit their requests.

The subcommittee had some consternation with the weighting of the different factors. There was a suggestion made for the Board to consider weighting all of the factors equally with the exception of donations. The Board will need to determine how to weight the different criteria.

There is a general acceptance of the different objectives approved by the Board last year. The Board needed to revisit the objectives to clarify the issues and obtain a better understanding of how they will be approached in the scoring.

The process the Board had last year for the first objective dealing with life safety was essentially detrimental to those projects that were replacing a problem building with a larger building. They compared the cost of repairing the life safety and other condition problems against the total project cost and then prorated the scoring between the first and second objectives. In the process, the impact of current conditions was diluted twice. There was also talk of clarifying the scoring and making it more flexible as far as how it is worded on the evaluation guide.

Objective two pertained to growth; however, the scoring anchors and the criteria itself focused primarily on how well the scope of the project matched up with the submitted demographic data. This did not allow an opportunity to recognize the high level of growth some had experienced.

Another consideration needing to be addressed pertained to concerns being raised regarding the Board's process not directly accounting for the priority order proposed by the Board of Regents in their process. Before the evaluation guide, the Board heard the Regents focus on their priority order. As the Building Board shifted to the evaluation guide, they now consider many of the same factors as the Regents consider, but the process does not specifically look at how the Regents prioritize their needs. The document suggested four alternatives to provide additional consideration to the Regent's priorities.

Last year the Legislature approved legislation authorizing lease purchase requests for UCAT and the Board will need to address how to approach those in the prioritization process.

Manuel Torres asked if the Board of Regents process could be compatible with the Building Board's. Kenneth Nye responded that at the joint meeting with the Regent's last fall, there was discussion about having the Regents and Board members compile a streamlined process. Mr. Nye understood the Regent's did not wish to change their process currently.

Kevin Walthers, Utah System of Higher Education, stated the Regents did not feel they needed to combine the two processes into one. However, they were concerned with the Board reprioritizing their list as they felt they had a very solid process focusing on replacing space and identifying needs. At this point the Regents felt they had a consistent, reliable, and valid measure of their priorities. The Regent's staff volunteered to work with the Board, but did not feel there was value in both bodies using identical processes.

Manuel Torres asked for education on how the Regents make their priorities. Kevin Walthers stated they take the current space, evaluate the current number of students, and together with standards developed with the assistance of DFCM in 1996, they determine what space is needed. They also project the student growth for five years to determine what will be needed then. Classroom and instruction space is ranked much higher than other types of space. Mr. Walthers felt a main difference between the two boards is the Regents adopted a formula that is less subjective, but the Board has adopted a consistent formula. Kenneth Nye added that in the analysis DFCM provided to the Board to assist with scoring, they also looked at the Q&P results from higher education and used their influence and viewpoints for growth needs and safety issues.

Keith Sprouse, UBATC, felt the Board's system was comprehensive and well thought out. Regarding the objective pertaining to one of economic feasibility, he felt alternative funding deserved a higher weight as it was in the best interest of the state for projects to have community money. He suggested placing more consideration on the weighting. Katherina Holzhauser stated historically the reason they didn't give it as much weight was because of some of the agencies have more opportunity to get alternative funding. This process puts the emphasis on needs. Steve Bankhead felt projects that have no opportunity for alternative funding will not be penalized, but this objective should allow similar projects to be rewarded. The low weight was due to the Board not wanting to penalize constituencies with no opportunity for alternative funding.

❑ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Randall Funk, University of Utah, reported for the period of February 25 to March 25, 2005. There were two new design agreements including \$46,200 for the Warnock Engineering

Building – Edwin C. Catmull Engineering Showcase, and \$10,789 for the A. Ray Olpin Union Building – Panorama West Renovation.

There were three study agreements for the period including the Museum of Natural History Alta Survey, the Red Butte Garden and Arboretum Amphitheater Development Feasibility Study, and the Golf Course Area High Temp Water Study.

There were two site improvement construction contracts including one for the College of Nursing Fire Protection Upgrades and the Health, Physical Education, and Recreation (HPER) Natatorium Diving Pool Repair and Upgrade.

There were three completed projects in the statewide accounts, as well as three completed projects from the improvements account. There were two transfers out of contingency reserve and no activity in the project reserve fund.

MOTION: Kerry Casaday moved to approve the administrative report of the University of Utah. The motion was seconded by Katherina Holzhauser and passed unanimously.

Brent Windley, Utah State University, presented the administrative report for February 23 to March 23, 2005. There were two new professional contracts issued, including one for the Carousel Square remodel. There were three new construction contracts.

There was a decrease to the contingency reserve fund due to the buried natural gas pipeline replacement and technical support services renovation.

There were a total of 43 delegated projects listed and of those 19% were pending or in planning, 18% were in the design phase, 23% were in various stages of construction, and 40% were complete or substantially complete.

MOTION: Steve Bankhead moved to approve the administrative report of Utah State University. The motion was seconded by Manuel Torres and passed unanimously.

Keith Stepan stated DFCM is pushing to close out projects that are not seeing any further activity. He reminded the University of Utah and Utah State University to push to financial completion close out.

❑ ADMINISTRATIVE REPORTS FOR DFCM

Keith Stepan presented the administrative report for DFCM and highlighted the lease report which has one new lease for the Department of Corrections, Adult Probation and Parole moving out of the Price Regional Center in order to accommodate growth.

There were nine new architect/engineering agreements.

There were 12 construction contracts awarded, of which three were sole sourced.

The contingency reserve fund had some funding increases which were decrease change orders due to the current unsettled construction climate.

The current balance in the emergency fund is \$3,116. The new funding will be received July 1.

☐ **OTHER**.....

Katherina Holzhauser asked if it would be beneficial to move the administrative report to the beginning of the agenda in the future. Keith Stepan stated DFCM would follow up with the issue.

☐ **ADJOURNMENT**.....

MOTION: Manuel Torres moved to adjourn at 10:36am. The motion was seconded by Steve Bankhead and passed unanimously.

Minutes prepared by: Shannon Lofgreen